

Small Business Environmental News

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EPA Encourages Voluntary Disclosure by Small Businesses

Most environmental rules for small businesses are enforced by TNRCC. EPA rarely inspects small businesses, but in the cases the EPA does inspect, EPA continues to encourage self-policing and disclosure as part of new compliance incentives for small businesses. These incentives are contained in an interim policy published in the June 23, 1995 Federal Register (60 FR 32675-32678).

Under the interim policy, EPA may reduce or waive penalties for small businesses making good-faith efforts to achieve compliance with environmental laws and regulations. In

through which small businesses can qualify for civil penalty mitigation:

- Good-faith effort
- First violation
- Violation does not present threat to health, safety, or the environment
- Violation cannot involve criminal activity
- Violation must be corrected in a timely manner

For businesses meeting the above criteria, EPA intends to wave imposition of a civil penalty. The agency may also waive some portion of the penalty if a business meets all of the criteria, except if a business cannot correct the violation within the allowed time period.

Finally, small businesses not meeting all of the criteria, but in some ways showing good faith, may still receive leniency. Here, the agency would have discretion to reduce or eliminate civil penalties. □

DID YOU KNOW THAT...

During the 11-year period of 1984-1994, the number of manufacturing plants in Texas grew from 19,580 to 21,681. Ninety-eight percent of those 21,681 are classified as small manufacturers, with an average of 46 employees.

(Source: Texas Department of Commerce)

*Healthy Environment.
Strong Business.
Good Sense.*

the notice, the agency also provides guidance for states and local governments wishing to offer similar incentives. Although the small-business incentives were created out of the framework of the Clean Air Act (CAA), EPA is applying them to hazardous waste, toxics, and water regulatory programs as well.

The new policy spells out five specific criteria

TNRCC Set Standard For Compliance Incentives

Long before there was any talk about incentives for complying with environmental regulations, the TNRCC's Small Business Assistance Program developed the Minor Source Policy. The policy encourages voluntary compliance with air regulations by eliminating the one-time penalty assessment for many small businesses. Since the adoption of the Minor Source Policy in 1991, hundreds of small businesses have come into compliance without penalties. □

**SBAP On
The World Wide Web**

Look inside for our internet address.



From the Small Business Advocate...

When I make presentations and speak to small-business people about the services we provide, I often invite people to give us a try. I'd like to report in this column what happens when they do.

Communities in South Texas face problems with sewage sludge disposal. There are only two locations in the Valley to dispose of sewage sludge, and it is very costly. At the same time the Valley faces these problems, Mexican farmers and ranchers are in dire need of fertilizer.

A business owner in South Texas wanted to take city sewage sludge, treat it, add other ingredients, and transform it into fertilizer to sell to farmers and ranchers in Mexico. The owner needed permitting assistance so he could begin operations.

Our office analyzed the operation and secured a time commitment and the step-by-step requirements from the permit engineer. This allowed the small-business owner to obtain financing to begin the operation.

In the end, our efforts kept sewage sludge from going into Valley landfills, provided much needed fertilizer to Mexican farmers and ranchers, and most importantly provided economic development to an economically depressed area.

In yet another case, a feed mill in Central Texas was issued a Notice of Violation for allowing poultry parts used in making feed to seep into a creek that emptied into a nearby river. The small business could not afford to install controls or modify its operation to prevent the continued spilling of parts into the creek. The Small Business Assistance Program worked with the TNRCC Regional Office and the company to provide them with options, such as phasing in the requirements. The business was also provided with alternatives that made common sense, like initiating a plan for manually recovering the spilled parts. Normally the process would require compliance in 30 days. Here, the process was extended to 90 days with agreed time-lines to allow the business economic flexibility. An emergency storm water control plan was put into place while the business was addressing the compliance issues.

I hope these examples show that we indeed are a friend of small businesses. Please give us a call if you ever need information or assistance with environmental regulations. □



Texas Dry Cleaners Face 1996 Deadline

All perc dry cleaners must register their machines with the U.S. EPA. Additionally, most machines are required to have a device installed to control air emissions. September 22, 1996, is the deadline to have devices installed, and a final compliance report must be sent to the EPA by October 23, 1996! These steps are part of the National Emission Standard for Perchloroethylene Dry Cleaning Facilities. September is fast approaching and NOW is the time to act! □

Did you know that the TNRCC has 24-hour Emergency Spill Reporting Number?
You can call toll free 24-hours a day: 1-800-832-8224

Small Businesses May Need Air Emissions Inventory

If you are a small business with an air permit from the Texas Natural Resource Conservation Commission (TNRCC), it is possible that you need to do an air emissions inventory.

Small-business owners must complete an air emissions inventory if their operation is in an ozone nonattainment county and annually emits 10 tons or more of volatile organic compounds (VOCs), 25 tons of nitrogen oxides (NO_x), or 100 tons of carbon monoxide (CO), sulfur dioxide (SO₂), total suspended particles (TSP), or particulate matter of 10 microns (PM₁₀) or less.

Texas has sixteen nonattainment counties. They are: Harris, Galveston, Liberty, Chambers, Fort Bend, Brazoria, Montgomery, Waller, Jefferson, Orange, Hardin, Dallas, Tarrant, Collin, Denton, and El Paso.

Small businesses located in other parts of the state must report an emissions inventory if any of the mentioned pollutants exceed 100 tons annually. A business also must report if emission-generating activities at a site have the potential to emit ten or more tons annually of any single hazardous air pollutant, or a total of 25 tons annually of any combination of hazardous pollutants.

Small businesses can get help understanding how the air emissions inventory applies to their business and help calculating their emissions. To qualify for assistance, a small business must meet all of the following:

- 1) Must have 100 or fewer full-time employees.*
- 2) Must be independently owned and operated.*
- 3) Must either be a first time reporter of emissions inventory or have completed the past inventories in good faith.*
- 4) Must be the owner or operator of the site for which the emissions inventory is due.*

Air emissions inventory packets were distributed to businesses in December and January. They are due March 31 or 90 days from the date mailed to the company.

For assistance with the air emissions inventory, contact the TNRCC Emissions Inventory Section at (512) 239-1477. □

Regulatory Relief for Small Paint and Ink Manufacturers

A newly proposed environmental regulation will provide regulatory relief to small paint and ink manufacturers if approved by the Texas Natural Resource Conservation Commission.

The relief comes in the form of a new standard exemption. Standard Exemption 125 allows businesses that perform this type of manufacturing process to operate under this exemption without the need of an air permit, while still protecting the environment.

"This will definitely help small businesses, the backbone of the Texas economy," says Phil Cates, executive director, Texas Paint Council. "Government should develop partnerships with industry and business so more jobs can be created, thereby increasing the tax base which in turn supports all governmental spending needs."

Small manufacturers can claim the exemption if they emit less than 15 tons per year of solvents (excluding water) for a single product line and 25 tons per year for the entire facility. The exemption requires record keeping to track emission rates. It also includes requirements for controlling particulate matter and reducing potential nuisance violations.

In the past, these manufacturers had to get a permit or claim Standard Exemption 25 for small batch mixers. However, Standard Exemption 25 was revised in April of 1995 to clarify that it only applies to small batch mixers of cement. This resulted in the desire to create a new standard exemption to address the needs of small paint and ink manufacturers.

The following are some of the industries impacted by the revised exemption:

SIC Number	Type of Coating	No. of TX Businesses
2851	Paints	68
2816	Pigments	6
2891	Adhesives/Sealants	38
2893	Printing Inks	138

Numbers taken from 1994 Texas Employment Commission report of businesses with less than 100 employees.

Businesses do not need to do anything if they meet Standard Exemption 25 before it was revised or if they meet another exemption or have a permit.

If adopted, the rule would become effective in the spring of 1996.

If you have any questions on Standard Exemption 125, call the Small Business Assistance Program (SBAP) at (800) 447-2827 or Phil Cates with the Texas Paint Council at (512) 474-1541. □

SBAP on World Wide Web

People can access the SBAP home page at:
<http://www.tnrc.state.tx.us/homepgs/smbus.html>.

People who want to contact individual SBAP staff can do so by using the internet address:

sbap@smtpgate.tnrc.state.tx.us.

Please identify the employee.

Regulatory Update

by Kerry Drake
Manager Technical Assistance

Standard exemptions are used to provide small businesses with criteria that, if met, will exempt them from air permitting requirements. These are just five of the 19 new or revised exemptions that have been forwarded to the commission for adoption:

- Standard Exemption 13 allows more flexibility in the types of printing operations that can qualify for the exemption.
- Standard Exemption 116 will clearly define a classic/antique automobile restoration facility.
- Standard Exemption 113 increases the acetone limits for manufacturers that use thermoset resin.
- Standard Exemption 75 will clear up interpretation and guidelines for enclosed and non-enclosed coatings operations.
- Standard Exemption 125 will set pollution-control criteria for small ink and paint manufacturers that will allow them to be exempt from the permitting process.

Other exemptions being considered include those for concrete batch plants, zoos and racetracks, and pathological waste.

If someone currently meets an exemption or has an air permit, the change will not affect them. □

Chrome Platers Must Comply With New Emission Standards

The chromium electroplating and chromium anodizing industry must comply with new standards as a result of the recently approved National Emission Standard for Hazardous Air Pollutants (NESHAP).

NESHAP was passed on January 25, 1995.

The decorative chromium electroplaters must be in compliance with this rule by January 25, 1996.

Hard chromium electroplaters and chromium anodizers must be in compliance by January 25, 1997. □



Outgoing Dallas Advisory Committee Co-Chairs Strike a Balance

As co-chairs of the Dallas Small Business Advisory Committee, Mary Vogelson and Ken Benson brought a sense of balance between economic development and stewardship of the land. Vogelson is the environmentalist and community leader. Benson is the small-business public relations executive. Together they complemented each other and led an effort to help small businesses comply with environmental laws and clean up the environment in Dallas and surrounding communities.

“When I accepted the co-chairmanship of the committee, I firmly believed and still do that there is a constructive way to protect our environment and have a thriving economy,” says Vogelson. “There is no room in this day and age for polarizing the issue. We are all in this together,” added Vogelson.

For the last two years, Benson and Vogelson helped Dallas committee members reach decisions on the Federal Clean Air Act and its potential impact on small businesses in Dallas County. They have worked to structure the Dallas Committee into working subcommittees taking action on legislation, materials supplied to small businesses and the use of creative versus punitive penalties against businesses found in violation of clean air laws.

A public relations executive, Benson knows the importance of reaching a consensus on important issues.

“As the only area of the state that is under a 1996 timetable to meet the EPA’s mandated clear air standards, we have taken, by necessity, an aggressive stance as a committee to inform and educate the small-business community, our governmental representatives, and our state’s financial institutions, just what could occur if we don’t meet these standards,” said Benson. “While we have been successful in reaching many of our goals we set for ourselves, there is still a long way to go in getting the word out among businesses and decision makers on the dramatic impact that not meeting these standards could have on our regional economic development efforts.”

During their tenure as co-chairs, Benson and Vogelson and the Dallas Committee have met with EPA Administrator Carol Browner and area elected officials on the potential impact the Clean Air Act will have on small businesses, supported legislation that would provide a tax exemption on pollution-abating equipment, suggested legislation to place monies received from enforcement fines into a small-business loan fund. They have also suggested and reviewed TNRCC materials directed toward the small-business community on the Clean Air Act and aggressively promoted outreach that included working with local community colleges and other agencies on Clean Air Act programs.

In January, Benson and Vogelson stepped down as co-chairs of the Dallas Committee while continuing to serve on the committee. Denton small-business owner Jo Ann Wheeler of Terrill Wheeler Printing, and David Mize of the Easter Seal Society will assume the roles of co-chairs for the Dallas Small Business Advisory Committee.□



Article V, Section 66C, H.B. 558, 66th Legislature, 1979, requires state newsletters to notify recipients in three consecutive issues that they must formally request the publication in order to continue receiving it. If you wish to continue receiving The Small Business Environmental News, please check the appropriate box and return this card. You may also use this card to request a copy of our Annual Report.

☐ Yes, I would like to receive The Small Business Environmental News quarterly newsletter.

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New TNRCC Chairman Talks About Agency's Direction

Barry B. McBee has served as Chairman of the Texas Natural Resource Conservation Commission since August 16, 1995. Chairman McBee comes to TNRCC from the Texas Department of Agriculture where he served as Deputy Commissioner. We recently sat down with the Chairman and discussed environmental regulations and small businesses.

SBAP: What can the regulated community expect from the new leadership at the Texas Natural Resource Conservation Commission?

McBee: They can expect a high dose of consistency and common sense. Consistency is critically important. Small-business owners who are new to environmental regulations need to know what to expect from the agency in terms of answers and assistance.

SBAP: These days small businesses have to comply with as many environmental regulations as big industry. Will your approach in dealing with small-business issues be different than your approach to big industry?

McBee: We are cognizant that big industry and small businesses need and deserve time to phase in what we ask of them in terms of regulations. Small businesses need consideration in compliance. We are sensitive to their needs and their resources. We will be flexible.

SBAP: What is your philosophy about environmental protection and economic development?

McBee: This is an environmental protection agency first to protect our state's air, water, and land. Environmental protection and economic development complement each other. There has to be a sound economy in order to protect the environment. Protecting our natural resources costs money. At the same time, a sound environment is a lure for businesses that depend on natural resources.

SBAP: Do you see any similarities between your previous position and this one in terms of dealing with the regulated small-business community?

McBee: Farmers are very down-to-earth people who are direct. They normally do not like government and government regulations. The one thing that I learned in dealing with small farmers is their practical solutions to complex problems. In this respect, I want to invoke as much common sense as possible to the business of policy development.

SBAP: Was there something at the Texas Department of Agriculture that was done to streamline or ease the burden on small businesses that could be tried here at TNRCC?

McBee: We built flexibility into the system. We had a good understanding of the intent of the law and always looked for ways to deal with individuals to accomplish the agency's mission. We did it in a way that maximized flexibility and common sense.

SBAP: What sort of relation do you see between compliance assistance and enforcement?

McBee: Compliance assistance and enforcement go hand-in-hand. We want to provide the tools and assistance businesses need to comply with the law. However, if they are unwilling to comply, enforcement will lead them to compliance, either directly or indirectly.

SBAP: In the few months that you have been here, do you see any particular regulatory area that might present the most problems for small businesses?

McBee: The potential impact each small business has on the environment is usually minimal. But collectively, as an industry, they can make a significant impact. So the problem will be to find the right balance between the economic viability of small businesses and regulatory compliance.



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Dates to Remember

- **February 20** - Dallas Small Business Advisory Committee meeting, 10:00 a.m. to 12:00 p.m., Bill J. Priest Center, SBDC, 1402 Corinth Street, Dallas. Contact: Jo Ann Wheeler (817) 383-2667.
- **February 22** - Metal Finishers' Workshop, Bill J. Priest Center, SBDC, 1402 Corinth St, Dallas. Contact: Edith Davis (800) 447-2827.
- **March 14** - Golden Triangle Small Business Advisory Committee meeting, 12:00 p.m. to 2:00 p.m., Jefferson County Airport, Media Room, Beaumont. Contact: Kathy Ramirez (800) 447-2827.
- **March 20** - TNRCC/Motorola Small-Business Environmental Seminars, Joe C. Thompson

Conference Center, 26th and Red River, Austin. Contact: Kit Seay or Sabine Virani (800) 447-2827.

- **March 21** - Houston/Galveston Small Business Advisory Committee meeting, 10:00 a.m. to 12:00 p.m., Museum of Print History, 1324 West Clay Street, Houston. Contact: Kelly Mowry (713) 224-2530.
- **April 3** - Auto Repair Workshop, 8:00 a.m. to 12:00 p.m., Bill J. Priest Center, SBDC, 1402 Corinth Street, Dallas. Contact: Chad W. Cliburn (214) 565-5821.
- **April 10** - Fort Worth Small Business Advisory Committee meeting, 3:00 p.m. to 5:00 p.m., Central Bank and Trust, 2315 North Main, Fort Worth. Contact: Sarah Walls (817) 877-2811.

- **April 25** - El Paso Small Business Advisory Committee meeting, 10:00 a.m. to 12:00 p.m., Texas Commerce Bank, 201 East Main Street, El Paso. Contact: Norm Peters (915) 546-6682.

This is not a complete list of upcoming events. For more information on events of interest to you, please call the Small Business Assistance Program at (800) 447-2827 or (512) 239-1066. □

The Small Business Environmental News is published quarterly by the Small Business Assistance Program. Comments or suggestions for future articles should be sent to:

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(All calls are confidential)



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